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Wage Price Index, Australia

The WPI measures changes in the price of labour, unaffected by compositional shifts in the labour force, hours worked or employee characteristics

Reference period September 2022

Released 16/11/2022

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Key statistics

In September quarter 2022 the seasonally adjusted WPI:

- Rose 1.0% this quarter and 3.1% over the year.
- The private sector rose 1.2% and the public sector rose 0.6%.

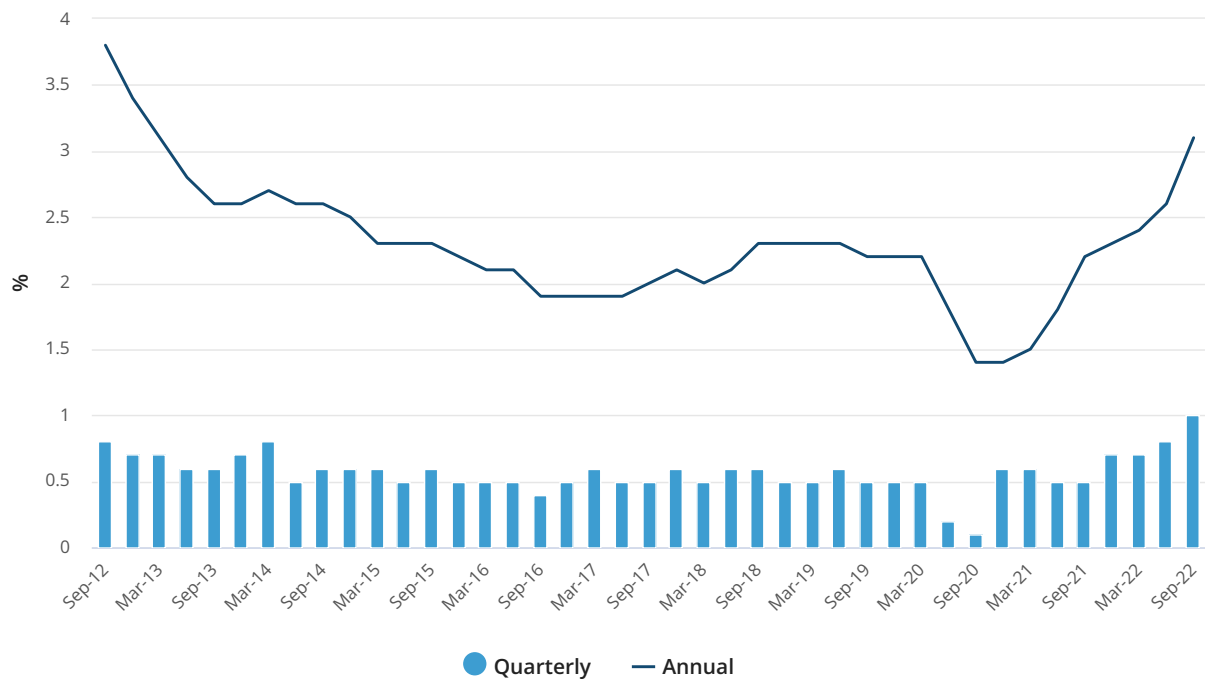
What's new this quarter

Earnings guide

To learn more about different measures of wages change, their purpose and how to use them, see our new [Earnings guide \(/statistics/understanding-statistics/guide-labour-statistics/earnings-guide\)](/statistics/understanding-statistics/guide-labour-statistics/earnings-guide). It provides summary information on our various earnings measures including Wage Price Index.

Main features

All sector WPI, seasonally adjusted, quarterly and annual change



Wage Price Index (WPI) Total hourly rates of pay excluding bonuses

	Jun Qtr 2022 to Sep Qtr 2022 % change	Sep Qtr 2021 to Sep Qtr 2022 % change
Trend(a)		
Australia	0.9	3.1
Private sector	0.9	3.2
Public sector	0.6	2.3
Seasonally Adjusted(b)		
Australia	1.0	3.1
Private sector	1.2	3.4
Public sector	0.6	2.4
Original		
Australia	1.4	3.2
Private sector	1.7	3.4
Public sector	0.6	2.3

a. See Interpretation of index numbers, Trend estimates on the Methodology page

b. See Interpretation of index numbers, Seasonally adjusted indexes and Seasonal analysis on the Methodology page

Overview

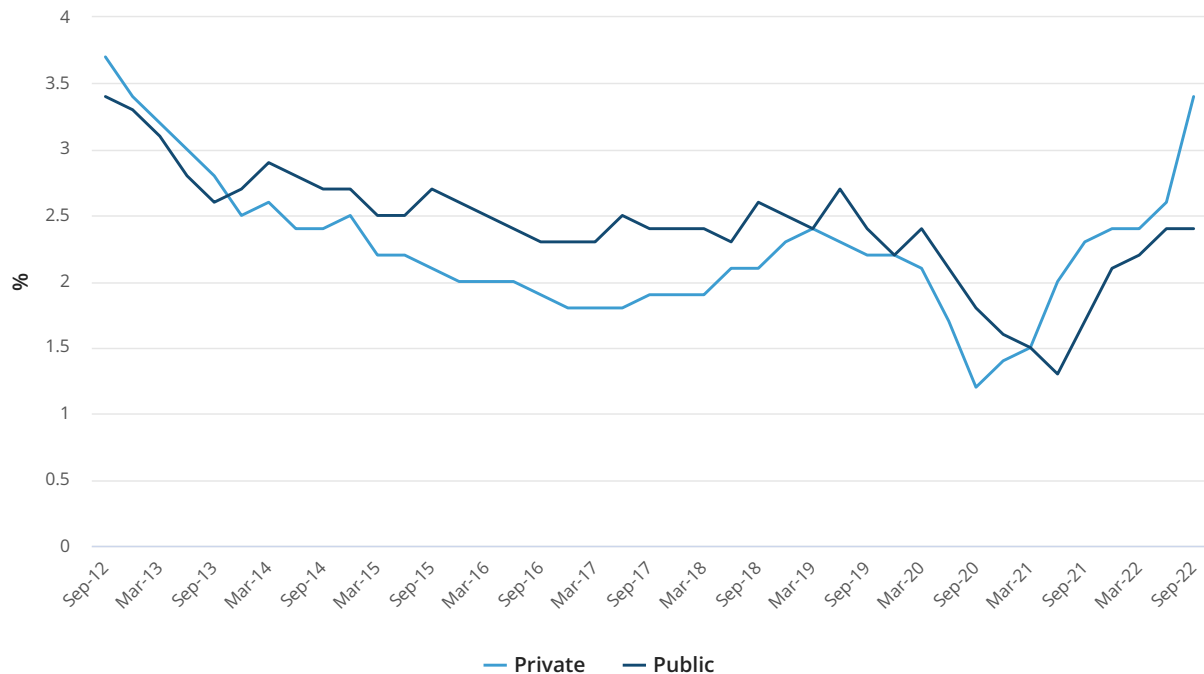
Private sector drives WPI increases

An increase in the average size of hourly wage rises in the private sector was the main driver of wages growth over the quarter.

Seasonally adjusted private sector wages rose 1.2% over the September quarter 2022, the highest quarterly rate of wages growth since September quarter 2010. Through the year growth lifted to 3.4%, the highest annual rate since December quarter 2012.

Through the year growth in public sector wages was the same this quarter as it was last quarter, and similar to rates recorded before the pandemic (2.4%).

Annual wage growth by sector, seasonally adjusted

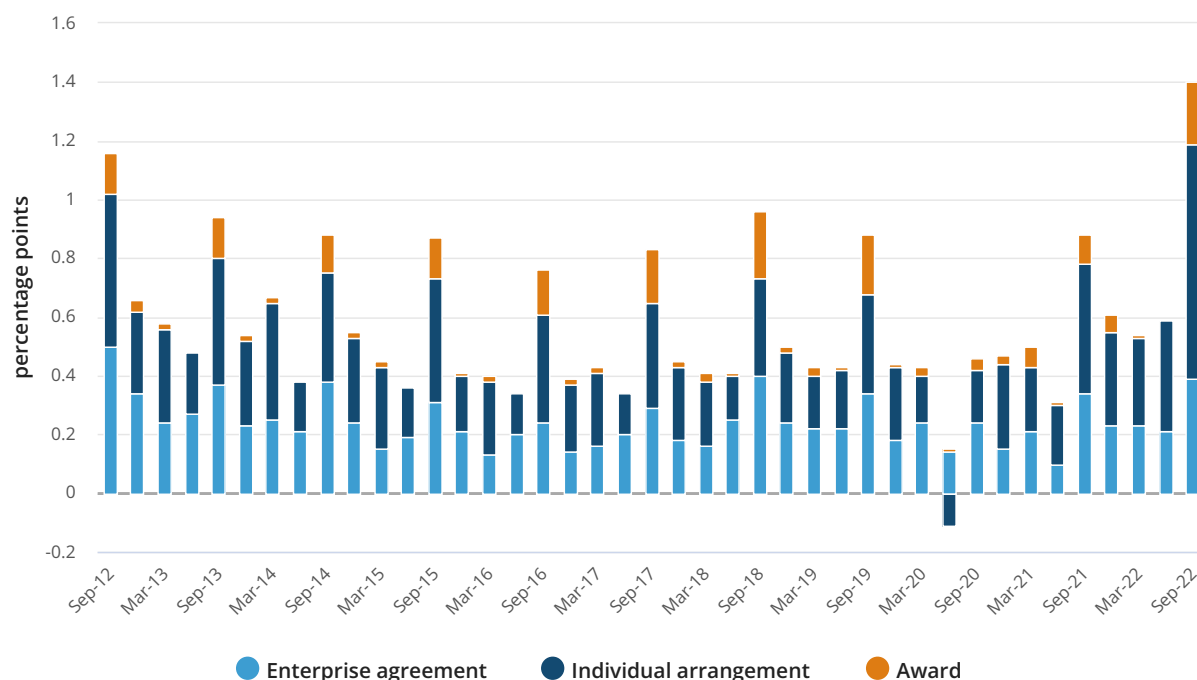


Jobs paid under individual arrangements strongest contributor to wages growth

The contribution by different methods of setting pay, shows jobs covered by individual arrangements drove a significant proportion of September quarter 2022 growth. Many of these jobs are market sensitive and tend to react more quickly to labour market conditions. Some individual arrangement jobs have also been directly influenced by the Fair Work Commission Annual Wage Review with increases benchmarked against the size and timing of this decision.

This year the Fair Work Commission Annual Wage Review decision issued increases for award wages of between 4.6% and 5.2%. The increases in award wages are scheduled to be paid in two stages, with the majority of award-based rises paid in the September quarter 2022.

Contributions to wage price index, by method of setting pay, original



Fair Work Commission Annual Wage Review 2021-22 influences wages growth this quarter

In the Annual Wage Review 2021-22 decision, the Fair Work Commission determined a \$40.00 per week increase (equivalent to between 4.6% and 5.2% wage increase).

The decision directly determined the size of increases to jobs paid under modern awards, with the majority of these jobs receiving a 4.6% increase. It was a significant contributor to hourly wage rate increases in the Retail trade, Administrative and support services, Accommodation and food services, Public administration and safety and Health care and social assistance industries.

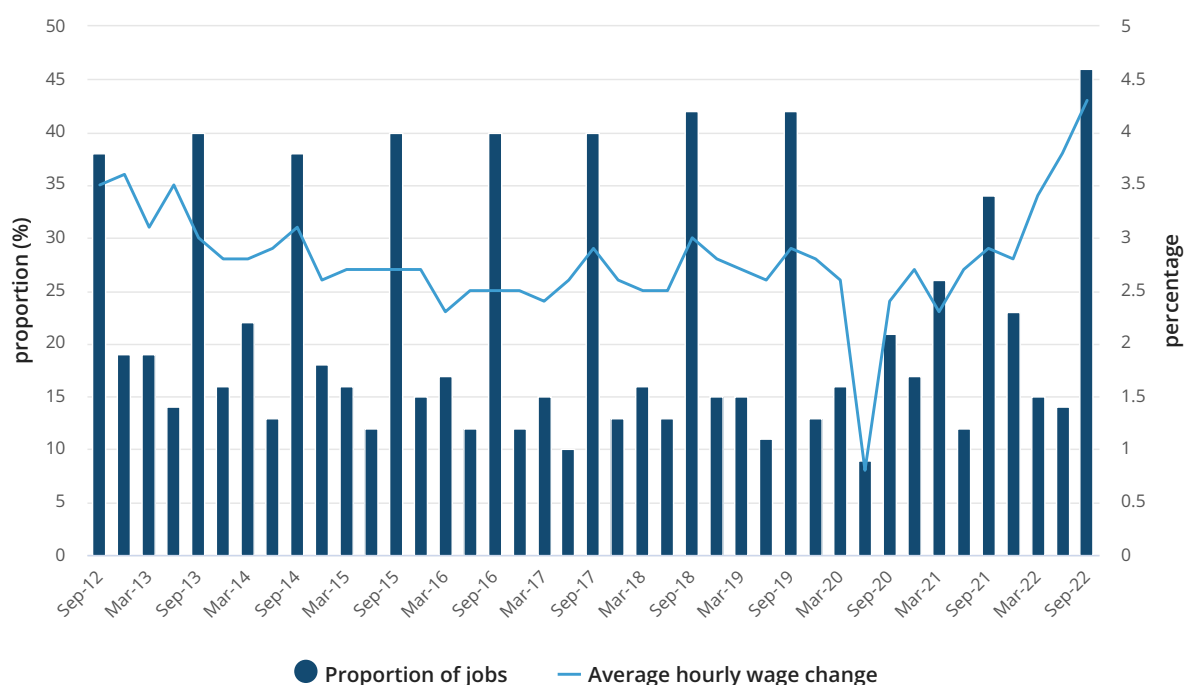
Sector wage growth

Private sector

The average size of hourly wage rises for private sector jobs recording a wage movement increased to 4.3 per cent, up from 2.9 per cent the same time last year.

Compared to last year, a higher proportion of private sector jobs recorded a wage movement. This was driven by jobs covered by individual arrangement that recorded larger rises as businesses paid increases based on end of financial year wage and salary reviews or interim increases as a retention strategy.

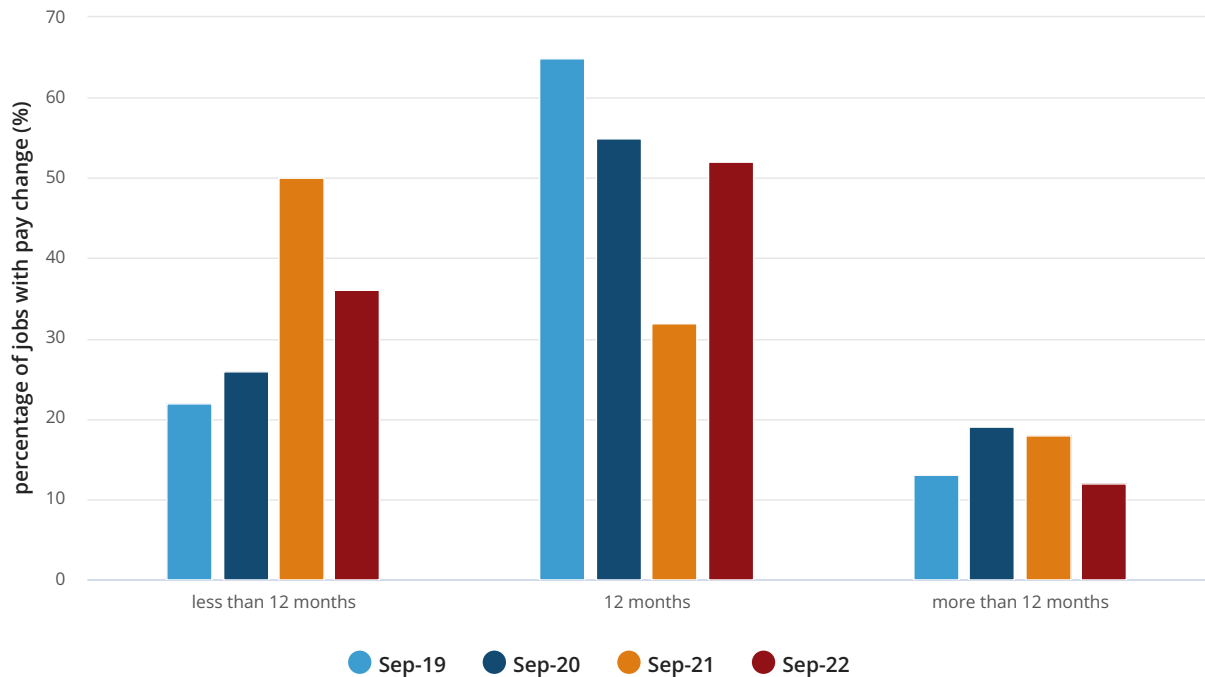
Quarterly wage dynamics in the private sector



Footnote: average hourly wage change only includes jobs recording a wage movement between quarters

Focusing on private sector jobs that received wage rises this quarter, the time since last pay change indicates more than a third of these jobs (36%) had received a pay rise less than 12 months ago and a further 52% received a rise this time last year. Only 12% of jobs that received pay rises this quarter received their last pay rise more than 12 months ago, a figure similar to pre-pandemic September quarters.

Time since last pay change, private sector

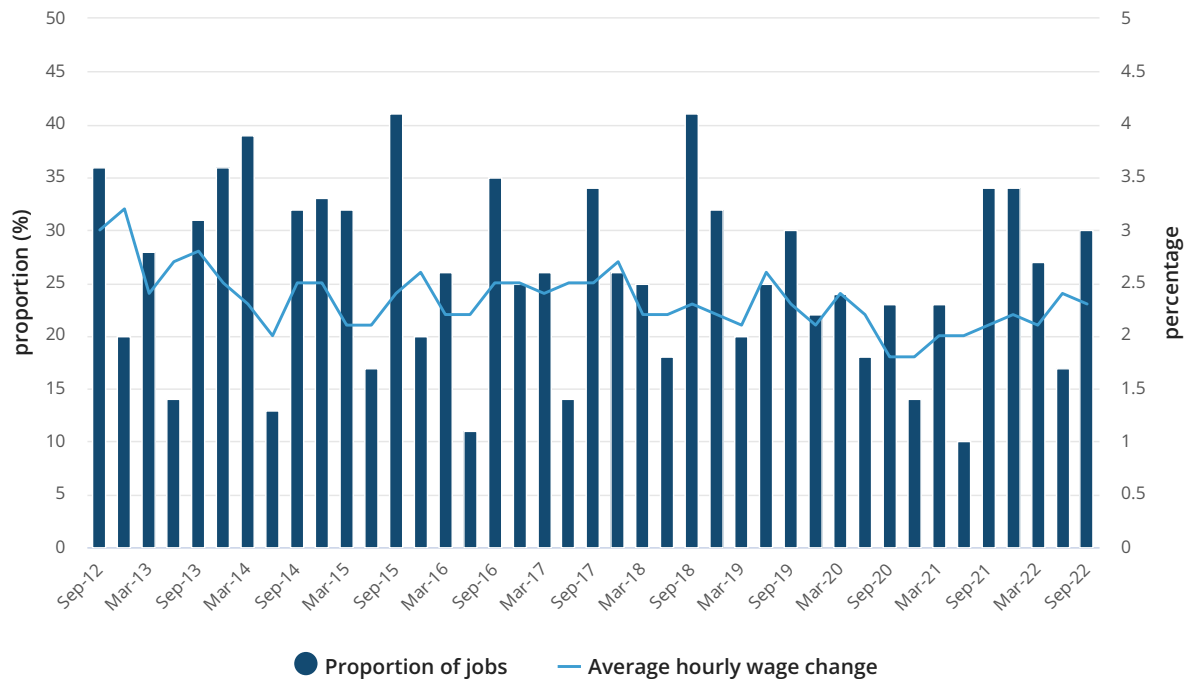


Footnote: graph relates to jobs recording a pay rise in each September quarter.

Public sector

The average size of hourly wage rises for public sector jobs that recorded a wage movement was 2.3 per cent, similar to the average size recorded before the pandemic. The proportion of jobs that received a wage movement (30%), was also similar to pre-pandemic levels.

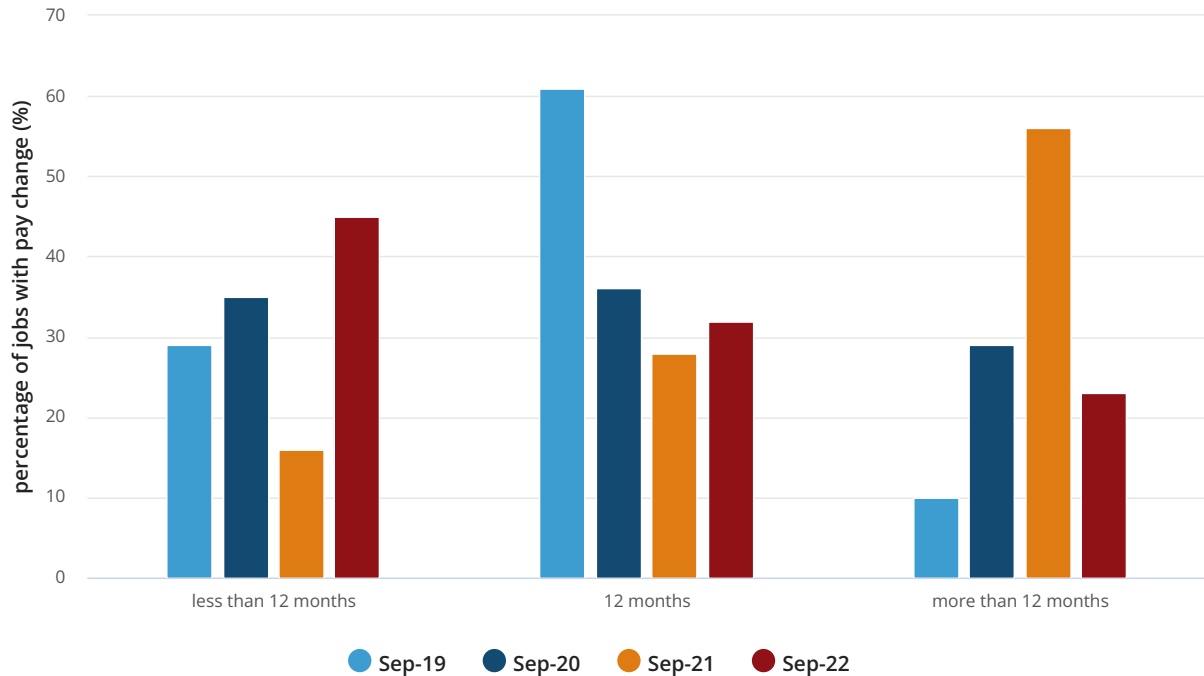
Quarterly wage dynamics in the public sector



Footnote: average hourly wage change only includes jobs recording a wage movement between quarters

Focusing on public sector jobs that received wage rises this quarter, the time since last pay change indicates nearly half of these jobs (45%) had received a pay rise less than 12 months ago and a further 32% received a rise this time last year. Only 23% of jobs that received pay rises this quarter received their last pay rise more than 12 months ago, a figure much smaller than in September quarter 2021 (56%).

Time since last pay change, public sector



Occupation wage growth

This quarter saw a broader range of occupations in the private sector recording higher average hourly rises. At the same time last year, the demand for labour was mainly centred across Manager and Professional roles. Wage pressure observed in the WPI since December quarter 2021 has expanded across roles resulting in businesses paying increasingly higher market rates for skilled jobs.

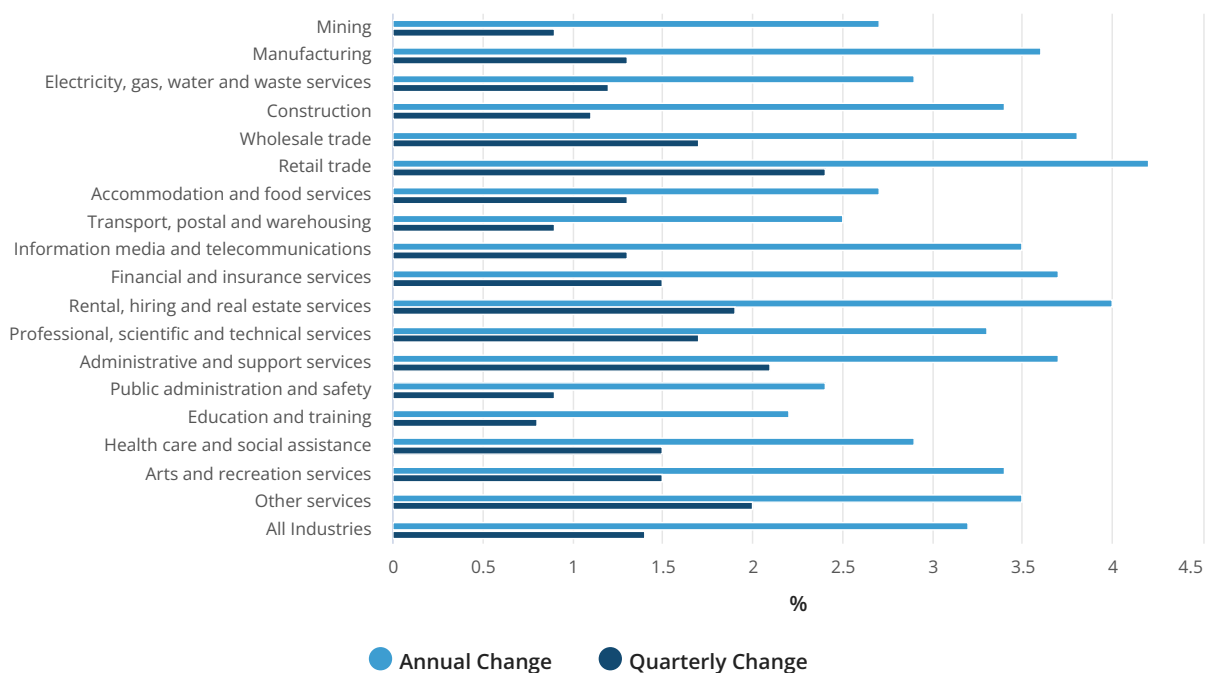
The first stage of the scheduled award rise in September quarter 2022 mostly influenced the wage rises in Community and Personal Service, Sales, and Labourer roles.

Industry wage growth

Original estimates:

- Jobs in the Health care and social assistance (1.5%) and Professional, scientific and technical services (1.7%) industries were the main contributors to growth reflecting both the size of these industries and the size of the wage increases.
- The Retail trade industry recorded the highest quarterly and annual growth at 2.4% and 4.2%, respectively. Industry growth was mainly driven by the size and timing of award rises, the higher annual rate of growth reflecting two award increases paid to jobs within the last year.
- The Education and training industry recorded the lowest quarterly (0.8%) and annual (2.2%) growth across all industries.

Annual and quarterly changes, original, total hourly rates of pay excluding bonuses - industry



State and territory wage growth

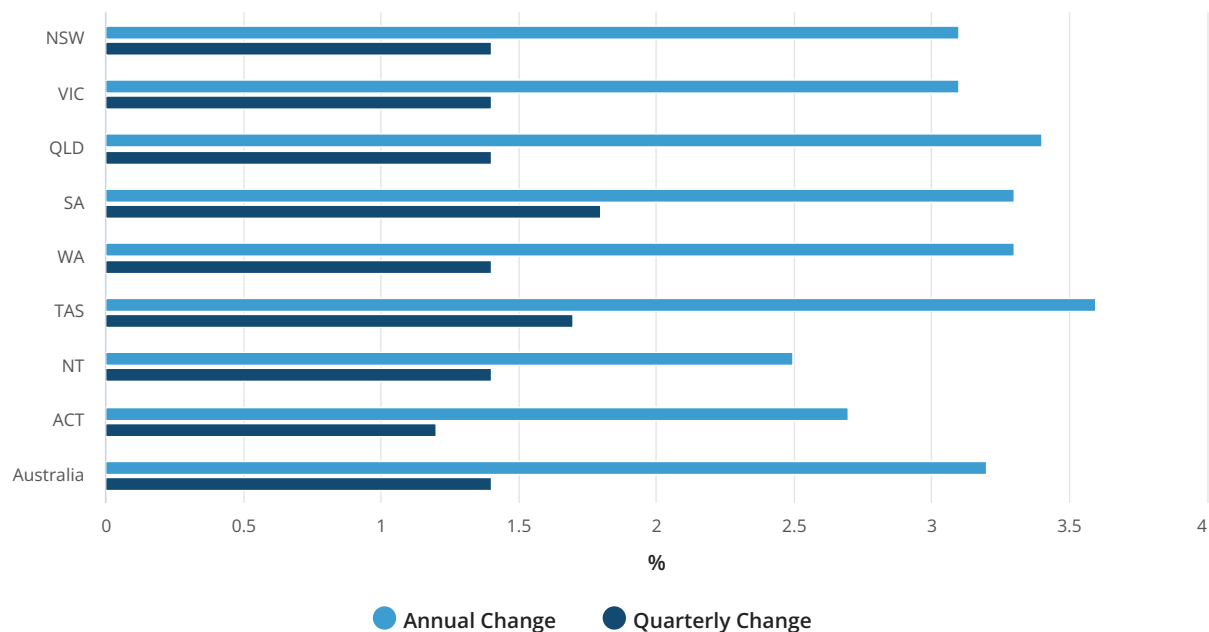
Original estimates:

- South Australia had the highest quarterly growth rate (1.8%) for any state since

September quarter 2010, with a significant proportion of jobs in the state recording wage rises. Tasmania had the highest annual increase in wages (3.6%).

- The Australian Capital Territory recorded the lowest quarterly rate of growth (1.2%). The Northern Territory recorded the lowest annual rate of growth (2.5%).

Annual and quarterly changes, original, total hourly rates of pay excluding bonuses - states and territories



Survey impacts and changes

Seasonal adjustment and trend

In June 2020, due to the large and unusual impact of COVID-19 on the economy, the private and All Sector series of the Wage Price Index were moved to the “forward factors” method for seasonal adjustment. This method (as described in the article on [Methods changes due to COVID-19 \(/articles/methods-changes-during-covid-19-period#abs-trend-and-seasonal-adjustment-during-covid-19\)](#)) is better suited in an uncertain environment as the seasonal factors are fixed for a 12 month period. The public sector series remained using the “concurrent” adjustment method, as the disruption was not observed in this sector. The

trend estimates were suspended for all series at this time.

The ABS completed their annual review of seasonal adjustment in the WPI in June 2022 and as a result reverted all series to “concurrent” adjustment, as the series had stabilised. The ABS also reinstated the trend estimates for all series in the WPI in June 2022.

Data downloads

I-Note

The wage price indexes in Tables 1, 2b, 3b, 4b, 5b, 7b, 8b and 9b are updated and released every quarter. The corresponding financial year wage price indexes in Tables 2a, 3a, 4a, 5a, 7a, 8a and 9a are updated and released each June quarter for the preceding financial year. There are no financial year indexes created for Table 1.

Time series spreadsheets

[⬇ Download all \(1.15 MB\)](#)

Table 1. Total hourly rates of pay excluding bonuses: sector, original, seasonally adjusted and trend

[⬇ Download XLSX](#)
[\[64.04 KB\]](#)

Table 2a. Total hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

[⬇ Download XLSX](#)
[\[51.21 KB\]](#)

Table 2b. Total hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

[⬇ Download XLSX](#)
[\[65.34 KB\]](#)

Table 3a. Total hourly rates of pay excluding bonuses: private sector by state, original (financial year index numbers for year ended June quarter)

[⬇ Download XLSX](#)
[\[51.2 KB\]](#)

Table 3b. Total hourly rates of pay excluding bonuses: private sector by state, original (quarterly index numbers)

[⬇ Download XLSX](#)
[\[65.38 KB\]](#)

Table 4a. Total hourly rates of pay excluding bonuses: public sector by state, original (financial year index numbers for year ended June quarter)

[↓ Download XLSX](#)

[51.24 KB]

Table 4b. Total hourly rates of pay excluding bonuses: public sector by state, original (quarterly index numbers)

[↓ Download XLSX](#)

[65.81 KB]

Table 5a. Total hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

[↓ Download XLSX](#)

[75.6 KB]

Table 5b. Total hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

[↓ Download XLSX](#)

[144.7 KB]

Table 7a. Hourly rates of pay including bonuses: sector, original (financial year index numbers for year ended June quarter)

[↓ Download XLSX](#)

[49.08 KB]

Table 7b. Hourly rates of pay including bonuses: sector, original (quarterly index numbers)

[↓ Download XLSX](#)

[58.51 KB]

Table 8a. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

[↓ Download XLSX](#)

[51.19 KB]

Table 8b. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

[↓ Download XLSX](#)

[65.42 KB]

Table 9a. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

[↓ Download XLSX](#)

[75.53 KB]

Table 9b. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

↓ [Download XLSX](#)

[144.64 KB]

All WPI series: original (quarterly index numbers)

↓ [Download XLSX](#)

[137.2 KB]

All WPI Series: original (financial year index numbers for year ended June quarter)

↓ [Download XLSX](#)

[86.99 KB]

Data cubes - 6345.0 Distribution of expenditure on wages, wage price index, Australia

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[162.82 KB]

Create your own tables and visualisations with Data Explorer

Caution: Data in Data Explorer is currently released after the 11:30am release on the ABS website. Please check the reference period when using Data Explorer.

[Wage Price Index \(https://explore.data.abs.gov.au/vis?fs\[0\]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df\[ds\]=ABS_ABS_TOPICS&df\[id\]=WPI&df\[ag\]=ABS&df\[vs\]=1.0.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly\[cl\]=MEASURE&ly\[rw\]=TIME_PERIOD&ly\[rs\]=TSEST%2CSECTOR&lo=1\)](https://explore.data.abs.gov.au/vis?fs[0]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df[ds]=ABS_ABS_TOPICS&df[id]=WPI&df[ag]=ABS&df[vs]=1.0.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly[cl]=MEASURE&ly[rw]=TIME_PERIOD&ly[rs]=TSEST%2CSECTOR&lo=1))

For information on Data Explorer and how it works, see the [Data Explorer user guide \(/about/data-services/data-explorer/data-explorer-user-guide\)](/about/data-services/data-explorer/data-explorer-user-guide).

Previous catalogue number

This release previously used catalogue number 6345.0.

Using price indexes

Price indexes in contracts

Price indexes published by the Australian Bureau of Statistics (ABS) provide summary

measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis. Price indexes are also often used in contracts by businesses and government to adjust payments and/or charges to take account of changes in categories of prices (Indexation Clauses).

[Use of Price Indexes in Contracts \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts) sets out a range of issues that should be taken into account by parties considering the inclusion of an Indexation Clause within a contract utilising an ABS published price index.

Frequently asked questions

The [Wage Price Index FAQs \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs) page has answers to a number of common questions to do with price indexes and the Wage Price Index, in particular.

Post-release changes

16 November 2022 - All sector WPI, seasonally adjusted, quarterly and annual change graph, updated annual figures from original to seasonally adjusted.

Methodology

[Wage Price Index, Australia methodology, September 2022](#)